

THE SMALLBIZ BUILDER

Planning For Your Dreams



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This Month:

- Keep More of Your Paycheck!
- Relief for Recipients of Incorrect Forms 1095-A
 - Second Quarter 2015 Due Dates
- Filing Delay for Certain Self-Employed Individuals

Keep More of Your Paycheck!

Many taxpayers have filed their 2014 income tax returns and found that they had a large refund. In fact, the average refund check from the IRS is over \$3,000. You can put that money in your pocket each pay day, rather than waiting until the end of a year for your refund. To change the amount of withholding, update Form W-4, *Employee's Withholding Allowance Certificate*, with your employer. Your most recent income tax return, pay check stub, and the Form W-4 worksheet should be used to modify your withholding status to convert your annual refund into weekly paycheck increases. Consult your local Padgett office for assistance.

Relief for Recipients of Incorrect Forms 1095-A

Approximately 800,000 individuals who purchased health insurance coverage through the Health Insurance Marketplace in 2014, received a Form 1095-A with incorrect calculations. This form is used to indicate proof of coverage and report advance payments of the premium tax credit. Taxpayers need this form to file a complete and accurate return.

To determine if you are affected, log into your account at HealthCare.gov and view a notice message. The IRS is urging taxpayers that are affected to wait to file their tax returns until they receive corrected 1095-A forms from the Marketplace or download a corrected form by logging into your account. New forms were issued beginning early this month. If you filed early based on information contained on the incorrect form and received a larger premium tax credit, the IRS said it will not try to collect additional taxes from you and an amended return is not required. If you are due additional money, you can amend to collect.

The IRS is also providing relief to farmers and fisherman who missed this year's March 2nd tax deadline because they are receiving corrected premium tax credit forms. These individuals will now have until April 15, 2015 to file their 2014 returns and will not be assessed a penalty for failing to make 2014 estimated tax payments if they file by this date.

Second Quarter 2015 Due Dates

Individuals:

- April 15: 2014 Form 1040 due, or file Form 4868 for a 6-month automatic extension.
- April 15: Last day to contribute to an IRA and ESA for 2014.
- April 15: First installment of 2015 estimated tax due.
- April 15: 2014 Form 709, US Gift Tax Return, due if more than \$14,000 was gifted to any individual besides a spouse or charity in 2014, or file Form 4868 or 8892 for a 6-month automatic extension.
- June 15: 2nd installment of 2015 estimated tax due.
- June 15: 2014 Form 1040 due for U.S. citizens or resident aliens living/working (or active duty military) outside the U.S. or Puerto Rico or file Form 4868 for 6-month automatic extension.

Calendar-Year End C Corporations:

- April 15: First installment of 2015 estimated tax due.
- June 15: Second installment of 2015 estimated tax due.

Employers:

- April 30: File Form 941 for 1st quarter 2015.



Partnerships & S Corporations:

- April 15: 2014 Form 1065 due for Partnerships, or file Form 7004 for automatic 5-month extension.
- May 15: File Form 8752 if on fiscal year under Section 444 election.

Filing Delay for Certain Self-Employed Individuals

As a self-employed individual, you may be able to deduct 100% of the health insurance premiums you paid in 2014 on behalf of yourself, spouse, and dependents under 26. And if you purchased health insurance in 2014 through the Health Insurance Marketplace or Exchange, you may also be eligible for a premium tax credit.

If you're eligible for both a deduction for premiums paid and a premium tax credit, you might have a tough time figuring out the amount of those items because of the circular relationship between the components involved. The amount of the self-employed health insurance premium deduction is based on the amount of the premium tax credit, and the amount of credit is based on the amount of the deduction! The accuracy of these calculations is crucial to avoid double-dipping.

The IRS has provided two methods for calculating your deduction and subsidy. Unfortunately, most tax software companies are still waiting for approval from the IRS to release their update. This in turn has caused filing delays for individuals eligible for these deductions and credits.

PADGETT BUSINESS SERVICES® is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter. **Planning For Your Dreams**